

STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL SERVICES DIVISION
P. O. BOX 942850
Sacramento, CA 94250-5878

DATE: February 3, 2017

PERSONNEL LETTER #17-005
(CSU Only)

TO: All Campuses in the Uniform State Payroll System

FROM: Debra Spellman, Chief
Personnel/Payroll Services Division

RE: **VERIFICATION OF EMPLOYEES IDENTIFIED AS NONRESIDENT ALIENS**

As of January 27, 2017, all employees identified as Nonresident Alien (NRA), per federal tax withholding rules determined by the Internal Revenue Service (IRS), are on the NRA report. For more information on this process, please see [Payroll Letter #06-029](#).

NONRESIDENT ALIEN REPORT:

SCO will mail a hardcopy of the report to each campus' human resources office. All employees on the NRA database as of January 27, 2017 are on the report including those who are active, on leave or separated. The report is sorted by social security number and includes the employees name, position number, federal marital status, number of federal tax exemptions being claimed and an 'X' to indicate if the person has separated.

If your campus does not receive a report by February 10, 2017, then there are no individuals employed at your campus on the NRA database.

VERIFYING THE REPORT:

Please review each record on the report and verify that the employee is still an NRA per the rules indicated in Internal Revenue Service (IRS) Notice 2005-76 located at, <http://www.irs.gov/pub/irs-drop/n-05-76.pdf>. Use the attached form to indicate any employee changes and complete the campus name, contact person, contact number/email and authorizing signature.

If an employee separated or changed status and is no longer an NRA subject to the federal tax withholding rules, complete his/her name, social security number and enter delete in the type of change field. If there are any nonresident alien employees missing from the report, add the employee name, social security number and enter add in the type of change field.

Please email Jennifer Robinson at jrobinson@sco.ca.gov, stating "no changes are necessary," if the report is accurate.

All responses are due by February 27, 2017. Please send your responses through secure fax at (916) 322-8137 or mail to the following address:

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Attn: Jennifer Robinson

EMPLOYEE ACTION REQUEST (EAR), FORM STD. 686 OR STUDENT PAYROLL ACTION REQUESTS (SPAR), FORM STD. 457:

Also, please verify that the employees on the report are claiming the appropriate federal marital status and number of federal tax exemptions. Per IRS Notice 2005-76, the listed nonresident alien employees must claim a federal marital status of "S" for single regardless of their actual marital status and cannot claim more than "1" federal tax exemption with exceptions made for specific countries. A nonresident alien cannot claim exempt from federal taxes unless they are covered under a tax treaty.

Please verify that employees complete their Employee Action Request (EAR), Form Std. 686 or Student Payroll Action Requests (SPAR), Form Std. 457 correctly. Do not accept documents that request a federal marital status or tax exemptions other than allowed by the IRS. For employees on the report with incorrect federal marital status/tax exemptions, please have the employees complete and submit a Form Std. 686 or Form Std. 457 with the appropriate information.

If you have any questions, please contact Jennifer Robinson at (916) 319-9067 or jrobinson@sco.ca.gov.

DS:JR:PMAB

Attachment

Listing of Nonresident Aliens Subject to IRS Notice 2005-76

Department/Campus: _____

Contact Person: _____ Contact Number/Email: _____

Authorizing Signature*: _____

| Social Security Number | Employee Name | Type of Change (Add or Delete) |
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*Must be a person authorized to sign Employment History documents.

☐ No Changes

Please submit response by February 27, 2017

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